

ABSTRACT

A system and method for detecting fraud when facilitating a payment transaction over a global wide area network. The method comprises receiving a sale information, receiving a

payment information from a buyer, and analyzing a transaction information for fraud. If the

5 analyzing indicates fraud, an enhanced transaction information is communicated to a human for

fraud analysis. In one embodiment, the method comprises performing rule-based analyses to

determine whether the transaction appears to be fraudulent. Rule-based analyses may include

suspect data rules and velocity rules. Velocity rules generally determine whether there has been

excessive activity that may lead to a conclusion that the transaction may be fraudulent. Suspect

10 data rules are used to determine whether the billing, shipping, selling addresses, telephone

numbers, and account numbers, and other data are in a syntactically correct format and whether

they exist. In one embodiment, the method further comprises performing simple screening of

the transaction information. In one embodiment, the method further comprises seeking

approval from a third party such as a financial institution based on the payment information.

15 The method may be implemented as part of a system that includes personal computers, server

computers, and other personal computing devices, some of which may communicate over the

Internet, and others which may communicate via dedicated communication lines.

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